

EMPIRE STATE

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AROUND NY

Police say 6-year-old boy had gun on school bus

BATAVIA — A 6-year-old boy found carrying a loaded handgun on a school bus in western New York won't face criminal charges, police said Wednesday.

But the boy's father, 40-year-old Juan Claudio, and the boy's 19-year-old brother, David Triusdale, were each charged with weapon possession and child endangerment.

Although they don't live in the same house as the boy, investigators said they knew the gun was in the home.

The bus driver was told about the gun by the boy's 7-year-old brother.

—Associated Press

Northeastern states hold 2nd carbon auction

ALBANY — A coalition of 10 northeastern states — including New York — put 31.5 million tons of carbon on the block Wednesday in the second of a series of auctions that could lay the groundwork for a national "cap and trade" program to curb global warming.

The Regional Greenhouse Gas Initiative requires power plants to pay for every ton of carbon dioxide they produce, providing a financial incentive to cut emissions. The total amount for sale will gradually be reduced through 2018.

Peter Iwanowicz, director of New York's Office of Climate Change, said the RGGI program may eventually merge with the Western Climate Initiative.

—Associated Press

Currency firm manager admits embezzlement

NEW YORK — The manager of a foreign currency exchange's New York City branch has pleaded guilty to stealing nearly \$2 million from her employer.

Shemika Jackson pleaded guilty to first-degree grand larceny. She admitted Wednesday that she stole the money from Travelers Inc. between December 2006 and March 2008.

Manhattan Justice Gregory Carro promised Jackson, who's 33, a 4-to-12-year prison sentence on Jan. 7. Police said Jackson spent the money on cars, casinos and rock concerts, and threw herself a \$15,000 birthday party.

—Associated Press

New York firm to pay \$16 million settlement

BOSTON — Prosecutors will drop a manslaughter charge against the only company charged in the fatal Big Dig tunnel collapse after the Brewster, N.Y., epoxy maker agreed to pay \$16 million to settle a lawsuit.

Powers Fasteners Inc. will also take steps to prevent the wrong type of epoxy from being used by its customers, said Max Stern, a company attorney.

The company was indicted after the July 2006 death of Milena Del Valle for providing the epoxy blamed in the ceiling collapse.

—Associated Press

DON'T MISS ...

TV The first **TV ad** is launched in the battle for the state budget ... the chair of the **Commission on Judicial Nominations** drops the governor a line ... and the **A.M. Roundup**.

Breaking political news throughout the day on Capitol Confidential: <http://blogs.timesunion.com/capitol>

Budget a tough sell for Paterson

Governor's spending plan with difficult decisions faces criticism

By IRENE JAY LIU
Capitol bureau

Over the past couple months, New York voters have stood by Gov. David Paterson as he has weathered trial after tribulation: economic calamity on Wall Street, an ugly and ongoing fight for the state Senate and, just last month, a

special session in which he failed to persuade the Legislature to take action on the state's ballooning deficit.

Delivering his budget proposal to legislators Tuesday, Paterson invoked the memory of another popular but hard-pressed New York governor, Franklin Delano Roosevelt, who led the state through the first three-and-a-half years of the Great Depression.

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the country," Paterson said. "Today, we too cannot shrink from the challenges ahead."

Paterson's next test will be his toughest, as he seeks to pass a budget that addresses the state's \$15.4 billion deficit a month ahead of the constitutional deadline of April 1.

Paterson's address was followed by a flurry of news releases slamming his proposals — from advocates saying that the cuts will hurt working families and schoolchildren to fiscal conservatives argu-

ing that the taxes and fees will hurt the economy and that the cuts are insufficient.

Already, stakeholders are mobilizing to protect their piece of the shrinking pie, and advocating to grow the pie by taxing the wealthy. On Wednesday, the powerful health care union 1199 SEIU and the Greater New York Hospital Association began running television ads advocating for a "fair share" tax on those earning more than \$250,000 per year.

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Please see **BUDGET A4**



KEVIN RIVOLI/ASSOCIATED PRESS

CAROLINE KENNEDY meets with Mayor Matt Driscoll in Syracuse as part of quest to succeed Hillary Clinton as senator.

Kennedy reaches out to upstate

JFK's daughter visits 3 cities to underscore her "lifelong devotion to public service"

By WILLIAM KATES
Associated Press

SYRACUSE — Caroline Kennedy finally made public her desire to carry on her famous family's legacy, reaching out to a handful of mayors and some political leaders Wednesday in a carefully choreographed effort to win support for her quest to succeed Hillary Rodham Clinton in the U.S. Senate.

Kennedy, daughter of the late President John F. Kennedy, visited Buffalo, Rochester and Syracuse.

In Rochester, Kennedy stuck closely to a tightly controlled script but started to sound themes apparently designed to

assuage those who question her readiness for a high-profile elected office.

"I just hope everybody understands that it is not a campaign but that I have had a lifelong devotion to public service," she said. "I've written books on the constitution and the importance of individual participation. I think I really could help bring change to Washington."

Before that, in Syracuse, her handlers cut her off when she was asked what her qualifications were to be a U.S. senator. As she left Syracuse City Hall, the first of her brief stops, she spoke briefly to a group of reporters and took no questions.

"I just wanted to say, as some of you may have heard, I would be honored to be considered for the position of U.S. senator," Kennedy said. "I wanted to come upstate to meet Mayor (Matt)

Driscoll and others to tell them about my experience and also learn how Washington can help upstate New York."

In response to a reporter's question later in Rochester, Kennedy sent a signal to others seeking the seat: If Gov. David Paterson doesn't appoint her, she will run for the office.

"Absolutely," she said. Kennedy spokesman Stefan Friedman later said she misheard the question, and meant only that she would run for election in 2010 if the governor appointed her in the coming weeks.

A Siena College poll released Wednesday found New York voters are divided over who should fill the seat and approval ratings for Kennedy and Attorney General Andrew Cuomo are nearly identical. The telephone survey of 622 registered voters last week had a margin of error of about 4 percentage points.

Tax cap eyed for forest lands

Plan could hurt Adirondack towns that rely on state payments for property taxes

By BRIAN NEARING
Staff writer

ALBANY — If local property taxes in the Adirondacks and Catskills climb in the next year the state won't pay more on its 3 million acres of forever-wild lands, under a cost-cutting measure in Gov. David Paterson's proposed 2009-10 budget.

The governor's proposed tax cap would be a first for the state, which started paying local property taxes on state Forest Preserve lands in the Adirondacks in 1886. These payments are the key revenue for local governments in areas with large amounts of state land.

Paterson wants the Legislature to approve capping state tax payments on such land at 2008 levels. In the future, any portion of increasing town, county or school property taxes not paid by the state would have to be made up through higher taxes on remaining property owners.

"The governor's proposal is shortsighted and unfair to all local taxpayers," said Peter Bauer, executive director of the Fund for Lake George. "It has been a point of pride among Adirondack environmental advocates that the state, unlike the federal government, pays its full share of taxes to local governments and school districts throughout the Adirondack and Catskill Parks."

Matt Anderson, a Budget Division spokesman, said the tax cap is "consistent" with the governor's plan to freeze aid to local governments during the fiscal crisis.

The state Forest Preserve includes 2.7 million acres in the Adirondack Park and 288,000 acres in the Catskill Park.

This year, the state paid \$69 million in local taxes on forest preserve lands, Bauer said. Around Lake George, Bolton, Dresden and Fort Ann each receive over \$1 million annually in combined county, town and school taxes from the state.

Many other Adirondack communities receive higher payments due to larger acreages of Forest Preserve within town boundaries. In Warren County, Johnsbury has roughly half its land in the preserve and relies on state taxes for about one-fifth of its budget.

"A cap will harm communities and school districts with large amounts of forest preserve as other tax payers within these jurisdictions will inevitably be called upon to pay an inequitable share of local taxes as future costs increase for school costs and various local governmental services and support," Bauer said.

► Brian Nearing can be reached at 454-5094 or bnearing@timesunion.com.



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Chrysler, Ford idle factories

Production cuts blamed on lack of consumer credit to close car deals

Associated Press

DETROIT — Chrysler announced Wednesday it is closing all its North American manufacturing plants for at least a month, the steepest move taken by U.S. automakers as they anxiously await word about government loans.

All three companies have been taking dramatic steps as they struggle to survive the recession and U.S. sales have dipped to their slowest rate in 26 years.

Attempting to cut costs, Ford said it will shut down 10 plants for an extra week in January because of sluggish sales.

Chrysler said it would extend the normal two-week holiday shutdown that begins Friday to at least Jan. 19 at all 30 of its factories due to slumping sales.

The lack of consumer credit is hampering sales and forcing the production cuts, Chrysler LLC said in a statement. Chrysler, Jeep and Dodge dealers say they have willing buyers for vehicles, but they can't close the deals, Chrysler said.

"The dealers have stated that they have lost an estimated 20 to 25 percent of their volume because of this credit situation," the statement said.

The Bush administration is mulling ways to help the automakers



ASSOCIATED PRESS ARCHIVE

JEeps MOVE DOWN an assembly line at the Daimler Chrysler plant in Toledo, Ohio. Chrysler said Wednesday it would extend its holiday closing at plants for an additional three weeks to conserve cash.

ers after Congress failed to reach a deal on \$14 billion in loans for GM and Chrysler. Ford has applied for a \$9 billion line of credit but says it has enough cash to make it through 2009.

Laid-off workers at Ford and Chrysler get vacation pay for the normal holiday shutdown, then will receive unemployment benefits and supplemental pay from the company that total about 85 percent of their normal pay.

General Motors Corp. said last

week it will temporarily close 20 factories across North America and make sweeping cuts to its vehicle production. Many of those plants will be shut down for the entire month of January.

Also Wednesday, Chrysler Financial, the company's dealer and consumer finance arm, warned dealers that it may temporarily stop financing vehicle inventories if dealers keep pulling large amounts of their money out of an account that helps fund those loans.

Suspect in wife's vanishing engaged

Associated Press

CHICAGO — A former suburban Chicago police sergeant who is suspected in his wife's disappearance is engaged to be married again even though he is still legally married, his publicist said Wednesday.

Drew Peterson, whose fourth wife, Stacy, disappeared in October 2007, proposed to the woman within the last week, said Glenn Selig. He would only say that the two began dating about four months ago and that the woman is 23 — the same age Stacy Peterson was when she disappeared.

Peterson, 54, declined to comment on the engagement but expressed disappointment that the media had found out about it. "You try to keep a personal life," he lamented in a brief telephone interview with The Associated Press, saying that another relationship he had been in since his wife's disappearance ended when the media found about it.

Peterson, a former Bolingbrook police sergeant who claims Stacy Peterson left him for another man, met with an attorney shortly after the one-year anniversary of her disappearance to discuss filing for divorce on grounds of abandonment. But Peterson and Stacy remain legally married. He is divorced from his first two wives.

Peterson has been named a suspect in the disappearance of his wife. Authorities say they are investigating the case as a possible homicide. Authorities are also investigating the 2004 death of Peterson's third wife, Kathleen Savio.

BUDGET: Plan faces criticism

▼ CONTINUED FROM A3

health care (65 percent).

Given the electoral and special-interest pressure to grow government, it's difficult for politicians to cut services in good times, let alone when people are seeing their paychecks shrink, jobs disappear and neighbors lose their homes. It's especially difficult for Democrats, who are poised to control the executive chamber and both legislative chambers.

Although his own poll numbers remain strong, Paterson's goal of passing a budget early — he has proposed passing a budget bill to address this year's \$1.7 billion shortfall Feb. 1, and next year's budget bill on March 1 — is ambitious. Democratic Assembly Speaker Sheldon Silver said that getting the budget done in February would be "difficult." In the Senate, questions persist about whether Democratic Leader Malcolm Smith will manage to knit his conference together in order to wrest control of the chamber from Republicans. Even if Smith pulls it off, the narrowness of Democrats' margin — two seats — suggests that any deal will necessarily involve Republican Leader Dean Skelos, who had harsh words for Paterson's plan on Tuesday.

Paterson's timorability does not have history on its side: Over the past two decades, even in the midst of the fiscal crises of the early 1990s and after Sept. 11, 2001, the Legislature has never passed the budget more than a day before the April 1 deadline, let alone a month before it.

And as for invoking Roosevelt in closing the budget deficit during a fiscal crisis, Paterson may not want to look too closely at the former governor's record. When Roosevelt entered office in 1928, he inherited a \$57 million budget surplus.

When he departed the governorship to become president in 1932, Roosevelt's state carried a deficit of nearly \$97 million.

► News research director Sarah J. Hinman contributed to this report. Staff writer Irene Iy Lu can be reached at (518) 454-5081 or iliu@timesunion.com.

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Budget a tough sell for Paterson

Governor's spending plan with difficult decisions faces criticism

By [IRENE JAY LIU](#), Capitol bureau

Click byline for more stories by writer.

First published: Thursday, December 18, 2008

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